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FOREIGN PLAN
BYPASSES CIATwo Bills Would Improve
U.S. Overseas Image

Washington, March 18 (AP)—Both branches of Congress are to receive bills Monday to provide for open, congressional supervised financing of certain American activities overseas, displacing the clandestine support hitherto provided by the CIA.

A bipartisan House group plans to ask creation of a publicly controlled corporation to finance various activities, outside the intelligence-gathering field, which have been covertly supported by the CIA in the past.

Aim Is Described

In the Senate Senator McCarthy, (D., Minn.), plans to offer a bill to establish a fund to be financed by private foundations which would lose their tax exemptions if they refused to assist in the financing.

Both measures would be aimed at assisting openly the overseas undertakings of student groups, educational and trade union organizations such as have been revealed recently as secret recipients of CIA funds.

Speaking for the House group, all members of the House Foreign Affairs Committee, Representative Fascell, (D., Fla.), said tonight that the proposed plan should go a long way toward meeting the legitimate needs of private groups operating overseas while eliminating the CIA secrecy which many feel has jeopardized such activities.

Under the House proposal the various activities would be entrusted to an institute on international affairs. It would be managed by a nine-member board of directors composed of private citizens and Government officials.

Method Of Choice

The board members would be appointed by the President and would be subject to Senate confirmation. The majority would come from the private sector. They would be named for six-year terms, serving without salaries but would receive per diem and travel allowance for

Fascell said:

"We have urged that our Government face this problem realistically and devise effective ways — certainly other than covert CIA operations—to help those private activities which make a positive impact on our national image abroad, and which contribute to the success of our foreign policy....

"The need for continuing

United States support of such activities is as great today as it ever was. The proposed institute would provide the proper means to meet that end."

Other Sponsors

Other sponsors include Representatives Frelinghuysen, (R., N.J.), Fraser, (D., Minn.), Morse, (R., Mass.), Roybal, (D., Cal.), Zablocki, (D., Wis.), Tunney, (D., Cal.), and Findley, (R., Ill.).

In a statement on his bill tonight, McCarthy said private groups often do not have enough money to send representatives to international meetings or otherwise "assist the peoples of other nations to improve their way of life and to develop democratic institutions."

He said the fund for international public service that he proposes "would provide open and independent financial aid to such groups for these purposes."

Revenue for it, he said, would be raised by requiring private foundations to contribute an amount equal to 15 per cent of the grants they make.

Failure to contribute to the fund, he said, would mean loss of tax exemption.

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